

MARSH RISK CONSULTING

RISK. DISPUTES. STRATEGY.

STATEMENT OF WORK

LINNTON PLYWOOD ASSOCIATION

JULY 10, 2014

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Introduction

Insurance Coverage Research

Linnton Plywood Association

This Statement of Work ("SOW") dated July 10, 2014, defines the scope of services to be performed by Marsh's Risk Consulting Practice (Marsh) for Linnton Plywood Association ("Client").

This SOW is divided into the following sections:

- Scope Definition: Overview description of the work to be performed
- Deliverables: Identifiable work products resulting from these services
- Pricing and Payment Schedule: Hourly rate and payment schedule.

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Scope Definition

Marsh will investigate the pre-1966 general liability and excess liability coverage issued to the Linnton Plywood Association, with the goal of identifying any insurance that may provide coverage for the current site cleanup in Portland, Oregon.

If further discussion with the client indicates that there may be gaps in the 1966-1986 coverage profile, we can also provide recommendations and an amended budget estimate for the research of any later missing coverage.

Approach

We propose that the initial steps of this research include the following:

1. Review of the earliest available insurance records to identify potential leads for further research;
2. Contact Dan Sloan, former account manager, to discuss broker and account history (if possible);
3. Detailed discussion of research conducted to date, particularly including review of available internal records;
4. Investigate contents of Marsh Portland archives and identify potentially relevant records for further review;
5. Identify and contact top priority outside sources; and
6. Compile recommendations for additional research.

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Deliverables

The project deliverables include the following documents:

- We will provide Linnton Plywood Association with a comprehensive report outlining the results of our investigation and providing our recommendations for further research.

Assumptions and Constraints

The following list includes assumptions and constraints on the project that have been taken into consideration when preparing this Statement of Work. If any prove to be inaccurate or unreliable, the project schedule or cost may require a change.

Assumptions

- Marsh Insurance Archeologists will have access to personnel who conducted the previous research into the historic insurance coverage within the internal documents.

Constraints

- At the time of this writing, we are unaware of any existing gaps in the post-1966 insurance program. If further discussion with the client indicates that there may be gaps in the 1966 - 1986 coverage profile, we can also provide recommendations and an amended budget estimate for the research of any missing coverage in the 1966 - 1986 period.

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Pricing and Payment Schedule

Marsh Risk Consulting will undertake this work at the 2014 rate of \$345 per hour for professional time, plus expenses.

Direct expenses, such as transportation, airfare, car rental, hotel, meals, parcel delivery and similar charges, which originate with outside vendors, are not included in the above fees and will be billed at cost.

Our costs for administrative support services will be added to our billings for professional fees set forth above, and will be calculated at 7.5% of our professional fees. This fee includes administrative items such as telecommunications, research materials, routine photocopying and other administrative support services.

Invoices are payable upon receipt.

Upon signed acceptance of this Statement of Work, the standard terms and conditions attached as Exhibit I will govern Marsh's provision of Services for Client.

Lane Powell
as counsel for
Linnton Plywood Association

Marsh USA Inc.

By: _____

Name: Bill P. Hutchinson

Title: Counsel to the Firm

Date: _____

By: _____

Name: Suzanna Yorgey

Title: Vice President

Date: _____

Marsh Risk Consulting USA

Standard Terms and Conditions (STAC)

These Standard Terms and Conditions are part of the attached Statement of Work and combined constitute an "Agreement" made as of the 10th day of July, 2014, between Lane Powell in its capacity as counsel for Linnton Plywood Association (collectively the "Client"), and the Risk Consulting practice of Marsh USA Inc., a Delaware Corporation, ("Marsh") (collectively, the "Parties"). The Parties agree that the effective date of the Agreement shall be the date on which Marsh shall have commenced providing the services described on the Statement of Work at the request of the Client or the execution date of the agreement, whichever is earlier.

1. SERVICES

Marsh shall provide the services as described in the attached Statement of Work (the "Services"). It is understood and agreed that Marsh's services may include advice and recommendations; however all decisions in connection with the implementation of such advice and recommendations shall be the sole responsibility of, and made by, Client. *Solely with respect to the Services, this Agreement supersedes all other agreements (if any) between the Client and Marsh.*

The Services may include modeling and/or business analytics services, including hazard loss and catastrophe modeling, loss forecasting and triangles, adverse event simulation, scenario and portfolio risk analysis, decision mapping, risk bearing and risk retention tolerance analysis ("Modeling and Analytics"). Modeling and Analytics services will be based upon a number of assumptions, conditions and factors. If any of them or any information provided to Marsh are inaccurate or incomplete or should change, the Modeling and Analytics provided by Marsh could be materially affected. These services are subject to inherent uncertainty, and actual results may differ materially from that projected by Marsh. They are provided solely for your benefit, and do not constitute, and are not intended to be a substitute for, actuarial, accounting or legal advice. Marsh shall have no liability to any third party in connection with these services or to you with regard to any services performed or provided by a third party.

2. PAYMENT OF INVOICES

Client agrees to pay properly submitted invoices promptly upon its receipt of any such invoices. Marsh shall have the right to halt or terminate entirely its services until payment is received on past due invoices. Balances unpaid after thirty (30) days of the date of the invoice may bear interest at a rate equal to the lesser of (i) one and a half percent (1.5%) per month, or (ii) the maximum rate of interest permitted by law. All fees, charges and other amounts payable to Marsh hereunder do not include any sales, use, excise, value added or other applicable taxes, tariffs or duties, payment of which shall be Client's responsibility, including any amounts assessed by government authorities subsequent to Client's payment for Marsh's services.

Where the Services are provided to the Client in a jurisdiction where a Value Added Tax (VAT) or Goods and Service Tax (GST) are applicable to the Services, such taxes will be charged in addition to the agreed compensation for Services where Marsh is responsible for accounting for such turnover taxes under the relevant local legislation. Where the Client is responsible for such accounting, the Services will be charged net of such taxes and the Client shall address such taxes appropriately.

3. CONFIDENTIALITY

Client anticipates that it will disclose certain technical, financial, strategic and other proprietary and confidential information relating to its business operations and properties ("Confidential Information") to Marsh for the purposes of Marsh providing the Services specified in this Agreement. Marsh agrees to keep this information confidential. Neither Marsh nor any of its employees or agents directly or indirectly shall use any Confidential Information furnished by or on behalf of Client for any purpose except in furtherance of Services to be rendered by Marsh pursuant to the Agreement. Marsh will not disclose any Confidential Information to any third party, without Client's consent. Marsh shall take all steps reasonably required to maintain the confidentiality of Confidential Information in its possession. The transmission of Confidential Information via electronic data transmission networks which provide for the security of users' data shall be deemed consistent with Marsh's obligations hereunder unless such use is contrary to Client's express instructions.

As between Client and Marsh, Confidential Information shall be the sole and exclusive property of Client, and, if requested by client, all documents and records in Marsh's possession containing Confidential Information shall be returned to Client; provided, however, that Marsh may retain copies of documents that may contain Confidential Information which are necessary for the conduct and proper record keeping of Marsh's business in accordance with standard operating procedures or applicable law.

The restrictions and agreements set forth herein shall not apply to any Confidential Information:

- (a) which at the time disclosed to or obtained by Marsh is in the public domain;
- (b) which becomes part of the public domain through no act, omission or fault of Marsh;
- (c) which Marsh's records demonstrate was developed independently by Marsh or was received by Marsh from a third party which Marsh had no reason to believe had any confidentiality or fiduciary obligation to Client with respect to such information;
- (d) which is required to be disclosed by law, including, without limitation, pursuant to the terms of a subpoena or other similar document; provided, however, Marsh shall give prior timely notice of such disclosure to Client to permit Client to seek a protective order, and, absent the entry of such protective order, Marsh shall disclose only Confidential Information that Marsh is advised by its counsel must be disclosed by law; or
- (e) Following the lapse of two years after disclosure of such information to Marsh.

It is understood and agreed that money damages would not be a sufficient remedy for any breach of this section 3 and Client shall be entitled to injunctive relief as a remedy for such breach, without prejudice to any other rights or remedies available to Client under applicable law.

4. VARIATION

Where Client seeks any variation in the Services, whether by way of addition, deletion substitution or otherwise, the Client shall submit its proposal for such variation in such Services in writing as soon as practicable to Marsh. Marsh shall not be obligated to accept any such variation in such Services unless the Client agrees to pay any additional sum or sums reasonably specified by Marsh and to extend any period agreed for provision of such Services by any additional period reasonably specified by Marsh.

5. INDEPENDENT CONTRACTOR

At all times during the term of this Agreement, Marsh shall be an independent contractor and shall not be an employee of Client. Neither party shall have the authority to bind or commit the other party to any contract or obligation.

6. CONSULTANT WORK PRODUCT

All works of authorship, including but not limited to, designs, plans, specifications, programs, computer output, valuations, estimates, report, data, memoranda, findings, recommendations of every description and every innovation, conception, improvement, discovery or invention and any intellectual property rights associated therewith which are created, utilized or developed by Marsh or its representatives in conjunction with this Agreement ("Work Product") is and remains the property of Marsh; provided, however, that the Client shall have and is hereby granted the non-transferable right to use Work Product delivered to the Client by Marsh solely for the Client's internal risk management purposes (the "Intended Purpose"). Notwithstanding the foregoing, Marsh shall acquire no rights of ownership in intellectual property rights subsisting in any material provided by Client to Marsh in connection with this Agreement.

Client shall not use the Work Product provided by Marsh to Client for any purpose other than the Intended Purpose. Work Product and Marsh's analysis, advice, findings, opinions and recommendations are solely for the information of the Client and may not be quoted in whole or in part or otherwise referred to, disclosed or delivered by the Client to any other person or entity without the prior written consent of Marsh.

Where Client makes any alteration or modification to any of the Work Product, all references to Marsh shall be removed therefrom.

7. TERMINATION

Client or Marsh may terminate this Agreement, with or without cause, effective immediately upon notice to the Client or to Marsh unless otherwise provided in said notice. Marsh's obligation to render Services shall terminate immediately upon termination of this Agreement for any reason. Rights and obligations accrued prior to termination shall survive termination. Without limiting the generality of the foregoing, upon termination, Marsh shall be entitled to receive a prorated portion of the fee set out in the Statement of Work based upon hourly charges for Services rendered through the date of termination using Marsh's standard billing rates.

8. ENTRY AND COOPERATION

Client shall arrange for access to and make all provisions for Marsh to enter Client's property as required by Marsh to perform the Services. Client shall arrange for and make provisions for entry to work space for Marsh in order for Marsh to perform such Services in a timely manner. Client shall make available in a timely manner, the documents and information deemed necessary by Marsh to complete such Services. Client shall inform Marsh promptly upon Client discovering that any such information or document is, or becomes, untrue, incomplete or inaccurate. In performing the Services, Marsh shall, and shall be entitled to, rely upon all information and documents provided to it by or on behalf of the Client. Marsh shall not be responsible for the accuracy or verification of any such information or document.

9. INDEMNITY

Marsh's scope of work and fees do not contemplate Marsh's being involved as a party, non-party witness or otherwise in any legal proceedings or subject to third-party claims. Accordingly, Client agrees to indemnify, defend and hold harmless Marsh, its directors, officers, shareholders and employees (collectively "Indemnified Persons") from and against any and all claims, liabilities, losses, damages, costs, discovery requests, demands, judgments, actions, causes of action, disbursements and expenses in connection therewith (including, without limitation, the reimbursement of all such costs, fees, expenses and disbursements, including reasonable attorneys' fees, as and when incurred, of investigating, preparing for, responding to or defending against any action, suit, proceeding, investigation, subpoena or

other inquiry (whether or not Marsh is a party to the proceedings or litigation at issue) in connection with actual or threatened actions ("Losses") relating to or arising out of the Services or any matter relating to the Services; provided, however that Client will not be liable under this indemnity to the extent any of the foregoing Losses are determined, in a final judgment by a court of competent jurisdiction, not subject to further appeal, to have resulted primarily from the gross negligence, willful misconduct or bad faith of any Indemnified Person in connection with the performance of Services.

10. LIMIT OF LIABILITY

In no event shall either party to this agreement be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits arising out of or relating to any services provided by Marsh or its affiliates. The aggregate liability of Marsh, its affiliates and its and their employees to Client or its affiliates arising out of or relating to the provision of services by Marsh or its affiliates shall not exceed the total compensation paid to Marsh for the Services hereunder. This provision applies to the fullest extent permitted by applicable law.

11. NO THIRD PARTY BENEFITS

The Parties hereto mutually agree that this Agreement is intended by them to be solely for the benefit of the Parties hereto and that no third parties may rely on any reports, analysis or other material provided by Marsh or shall obtain any direct or indirect benefits from the Agreement, have any claim or be entitled to any remedy under this Agreement or otherwise in any way be regarded as third party beneficiaries under this Agreement

12. LIMITATION ON WARRANTIES

THIS IS A SERVICES ENGAGEMENT. MARSH WARRANTS THAT IT WILL PERFORM SERVICES HEREUNDER IN GOOD FAITH CONSISTENT WITH THE STANDARD OF CARE OF SIMILAR CONSULTANTS PERFORMING SIMILAR SERVICES. MARSH DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED.

ALL CONSULTING ACTIVITIES PERFORMED BY MARSH ARE ADVISORY IN NATURE. ALL REPORTS WILL BE BASED UPON CONDITIONS OBSERVED AND INFORMATION SUPPLIED BY CLIENT. MARSH DOES NOT GUARANTEE OR WARRANT THE SAFETY OF ANY CLIENT'S PROPERTIES OR OPERATIONS OR THAT CLIENT OR ANY SUCH PROPERTIES OR OPERATIONS ARE IN COMPLIANCE WITH FEDERAL, STATE OR LOCAL LAWS, CODES, STATUTES, ORDINANCES, STANDARDS OR RECOMMENDATIONS.

13. FORCE MAJEURE

Neither party shall be in breach of the Agreement if there is a total or partial failure by it in its duties and obligations occasioned by any act of God, fire, act of foreign, federal, state or local government, war, civil commotion, insurrection, embargo, prevention from or hindrance in obtaining any raw materials, energy or other supplies, labor disputes of whatever nature, or any other reason beyond its reasonable control. In the event of delay in performance due to any such cause, the date of the delivery or time for completion will be extended by a period of time reasonably necessary to overcome the effect of such delay.

14. BINDING EFFECT

This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, their respective successors by merger, sales or consolidation and their permitted assigns.

15. ASSIGNMENTS

No party hereto shall assign or transfer this Agreement or any interest in this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Marsh may delegate all or a portion of its duties hereunder to affiliates or subcontractors of Marsh, such delegation not to relieve Marsh of its obligations hereunder.

16. SEVERABILITY

It is the intent of the Parties that the provisions of this Agreement shall be enforced to the fullest extent permitted by applicable law. To the extent that the terms set forth in this Agreement or any word, phrase, clause or sentence is found to be illegal or unenforceable for any reason, such word, phrase, clause or sentence shall be modified or deleted in such manner so as to afford the party for whose benefit it was intended the fullest benefit commensurate with making this Agreement, as modified, enforceable, and the balance of this Agreement shall not be affected thereby, the balance being construed as severable and independent.

17. GOVERNING LAW

This Agreement shall be governed by the laws of the State of New York, without giving effect to its conflicts of law rules.

18. ARBITRATION

Each of the Parties, on behalf of itself and its affiliates, agrees that any dispute, claim or controversy arising out of or relating to this Agreement or the provision of services by Marsh or its affiliates shall be resolved by binding arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association then in effect. The arbitration shall be conducted by a panel of three arbitrators, with each party selecting one arbitrator and the two arbitrators selecting the third arbitrator. If the two arbitrators are unable to agree upon the third arbitrator, the third arbitrator shall be selected by the American Arbitration Association. Each of the arbitrators shall have at least fifteen years of risk consulting experience. Judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction.

19. NOTICES

Notices required or permitted by this Agreement shall be served by certified mail, return receipt requested, or reputable overnight courier services to a party at the following address:

For Marsh:

Suzanna Yorgey
Marsh USA Inc.
111 SW Columbia St.
Portland, OR 97201

cc: James Dorion, Managing Director
Marsh USA Inc.
540 W. Madison, Suite 1200
Chicago, Illinois 60661

For Client:

Bill P. Hutchinson
Counsel to the Firm
Lane Powell
601 S.W. Second Avenue
Suite 2100
Portland, OR 97204

Such addresses may be changed by notice given in accordance with this Agreement. Notices given hereunder shall be effective upon receipt.

20. ENTIRE AGREEMENT

This Agreement represents the entire and integrated agreement between Client and Marsh and supersedes all prior negotiations, representations or agreements, either written or oral, relating to the subject matter hereof. This Agreement may be amended only by written instrument signed by each of the Parties hereto. All waivers must be in writing. No waiver by any party hereto, whether express or implied, of its rights under any provisions of this Agreement shall constitute a waiver of such party's rights under such provision at any other time or a waiver of such party's rights under any other provision of this Agreement. No failure by any party hereto to take action with respect to any breach of this Agreement or default by another party hereto shall constitute a waiver of the first party's right to enforce any provision of this Agreement or to take action with respect to such breach or default or any subsequent breach or default by such other party.

MARSH RISK CONSULTING

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GLOBAL INSURANCE ARCHAEOLOGY SERVICES



Many organizations face complex legacy liabilities that can negatively impact their financial outlook. Allegations surrounding these types of liabilities can span decades and include the following types of “long-tail” exposures, among others:

- Asbestos.
- Construction defects.
- Welding fumes.
- Pollution.
- Medical devices/pharmaceuticals.
- Product liabilities.
- Sexual misconduct.

A company’s historic occurrence-based liability insurance policies can protect it from the negative financial impact of these claims. Yet many companies are unable to locate their historic policies or other insurance records that could prove the existence of this potentially valuable coverage. The ability to locate documentation of historical coverages is critically important as US courts generally place the burden of proving the existence of any policy on the policyholder.

THE VALUE OF HISTORIC INSURANCE

Historic insurance assets dating back 60 or more years can provide significant protection against today’s burdensome claims costs. The combined limits of a historic insurance portfolio can total hundreds of millions of dollars. Importantly, historic policies often contain broader coverage including:

- Lack of key exclusions.
- Lower deductibles.
- Absence of aggregate limits for certain exposures.
- Defense costs paid in addition to the limits of liability.

The value of these historic assets, however, can be diminished by insurer runoff and insolvency issues. Therefore, companies with existing or potential long-tail liabilities should ensure that they take the opportunity to recover these valuable assets now.

CAN YOU LOCATE YOUR HISTORIC INSURANCE COVERAGE?

Due to age of these documents, companies all too often are unable to locate the coverage they need. Company mergers and broker changes compound this problem. Files are moved and forgotten, and personnel with crucial institutional knowledge retire or relocate.

MARSH RISK CONSULTING

Marsh Risk Consulting's (MRC) Complex Liability & Risk Services Practice has a dedicated, global insurance archaeology team that can assist those seeking to locate lost policies. Working in close collaboration with clients, our experienced insurance archaeologists can find historical insurance assets through comprehensive research in a number of areas, including:

- Research and internal reviews of historic corporate records and archives.
- Interviews with current and former personnel such as risk managers, corporate counsel, and records managers.
- Research and contact with former brokers, including detailed interviews with brokerage personnel who may have knowledge about a particular account.
- Identification and contact with various outside sources, including law firms, government entities, and accounting firms that may have retained important evidence of insurance.
- Contact with insurers to coordinate research for additional policy documentation.
- Specimen policy form research to locate standard terms and conditions for policies supported only through secondary evidence.

LONDON INSURANCE-MARKET ARCHEOLOGY

For the past hundred years Lloyd's and London insurers have been major providers of insurance coverage to the commercial world. Since 1988, our London team has been offering a full range of London insurance market archaeology services. The unit has direct access to the largest broker archive in the London market with records dating back to the 1940s. The team has extensive contacts with London insurers and other insurance brokers to provide a comprehensive research service. Our extensive contacts in the London insurance market also can provide clients with expert guidance regarding London insurer insolvencies and schemes of arrangement.

GETTING STARTED

Prior to any research project, our archaeologists will contact or meet with you to thoroughly discuss the scope of the project. They will, for example, determine coverage gaps, obtain additional information on the history of any pertinent companies (including predecessors), and determine what research steps may have already been undertaken. After completing these initial steps, our archaeology team will provide a comprehensive proposal detailing a specific research plan to find the lost policies at issue.

For more information about the Complex Liability & Risk Services Practice and other solutions from Marsh, visit www.marsh.com, or contact your local Marsh representative.

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212 345 3940
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Additional information can be found on www.marshriskconsulting.com.

Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer, and Oliver Wyman.

This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. The information contained herein is based on sources we believe reliable, but we make no representation or warranty as to its accuracy. Marsh shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting, or legal matters are based solely on our experience as insurance brokers and risk consultants and are not to be relied upon as actuarial, accounting, tax, or legal advice, for which you should consult your own professional advisors. Any modeling, analytics, or projections are subject to inherent uncertainty, and the Marsh Analysis could be materially affected if any underlying assumptions, conditions, information, or factors are inaccurate or incomplete or should change. Marsh makes no representation or warranty concerning the application of policy wordings or the financial condition or solvency of insurers or re-insurers. Marsh makes no assurances regarding the availability, cost, or terms of insurance coverage.

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